30 April 2014

ASX/TSX ANNOUNCEMENT
 Quarterly Report of Operations
 For The Period Ended 31 March 2014

HIGHLIGHTS

Olaroz Lithium-Potash-Boron Project:

- Project construction is approximately 85% physically complete with significant milestones achieved.

- A total of approximately US$194 m has been spent or committed via executed contracts on the construction project to date.

- Construction is projected to be completed on budget with first production at the end of August 2014.
Borax Argentina

- Projected to finish the year on or above budget.

- The project to relocate the borax chemical plant from its current location in Campo Quijano (close to the city of Salta) to the Tincalayu mine continues to progress and is expected to be completed on schedule and within budget. The relocation and commissioning was planned to be completed by the end of June 2014 but may now be completed ahead of schedule.

- The Porvenir Historical Estimate has been upgraded to a Measured and Indicated JORC compliant resource. A Measured and Indicated resource of 6.9 million tonnes of 14.9% B₂O₃ is estimated at a 9% B₂O₃ cut-off, the economic cut-off for processing of the mineralisation at a potential new boric acid plant at Olacapato.

- A prefeasibility study into the construction of a boric acid plant at Olacapato in Salta Province, Argentina with a production capacity of 25,000 tonnes per annum of boric acid has been completed. The Project has strong fundamentals with a healthy after tax internal rate of return of 24% based on modeled project life of 20 years underpinned by a resource base of 1.02 million tonnes B₂O₃.

Corporate

- Cash Position of A$28.7m at the end of the quarter excluding funds in Olaroz Lithium Project companies.

- SAP has been implemented at Borax Argentina.

Olaroz Lithium-Potash-Boron Project

The Olaroz Project is Orocobre’s flagship project located in Jujuy province of Argentina. Together with partners, Toyota Tsusho Corporation (“TTC”) and Jujuy Energia y Minería Sociedad del Estado (“JEMSE”), Orocobre is building the first large scale “green fields” lithium brine project in approximately 20 years at a capital cost of US$229.1m and will have a design capacity of 17,500tpa of battery grade lithium carbonate. The Olaroz Project joint venture is operated through Argentine subsidiary Sales de Jujuy SA (SDJ SA). The effective Olaroz Project equity interest is Orocobre 66.5%, TTC 25.0% and JEMSE 8.5%.

Construction Update

The construction of the project continues to proceed on time and within budget and a total of approximately $194m has been spent or committed via executed contracts in the construction project. In terms of physical progress the construction program is approximately 85% complete.
Since the last quarterly report, the Company announced the commissioning of the liming plant which allowed the removal of magnesium from the brine to commence as brine is transferred from pond 4B to 4A. The gas pipeline was completed and was awaiting the branch line connection by Gas Atacama which has now been completed. The southern bore field brine duct was commissioned in February which delivers brine directly from the southern field into pond 4B from the southern field. This replaced the temporary trench system which was moving brine to the northern field intermediate pump station. Replacement transfer pumps in the southern borefield are due to be installed in May which will allow the steady state production pumping rate of approximately 180l/s to be ramped up to a peak rate of approximately 220l/s for pond filling purposes in May.

As part of the bore field development one bore was drilled to 304m, the deepest hole to date by the company in Olaroz. Pumping tests have confirmed good hydrogeological properties and a high brine grade, averaging 770 mg/l. Previous geophysical surveys by Orocobre have suggested the Olaroz salar deposits may extend to 600m.

Construction works continue on the lithium processing plant, finished goods warehouse and the soda ash warehouse.

The project implementation is through EPCM (Engineering, Procurement and Construction Management) with a high proportion of local involvement through construction and supply contracts and local employment. The unique community and shared value policy continues as a key success factor, training local people under the supervision of high quality experienced professionals.

For more information on Olaroz please click here
Borax Argentina

Borax Argentina has extensive operations and has a fifty year production history producing borax chemicals, boric acid and boron minerals. The production currently comes from three principal mines at Tincalayu, Sijes and Porvenir with concentrators at the first two locations and a chemicals plant at Campo Quijano producing refined products. The borax circuit at the chemicals plant is in the process of being relocated to the Tincalayu mine where the mineral for borax production, tincal, is mined.

Operations

Approximately 9,027 tonnes of combined products were sold during the quarter. This is in line with the March quarter last year and follows two quarters of record growth. The March quarter is normally a lower quarter impacted by Brazilian Carnival but sales were also impacted by inventory management required during the relocation of the Borax plant. There are signs that demand is improving with the second half of 2014 expected to show both positive demand trends and improving market prices. In spite of the challenging market conditions and the inventory management required during the plant relocation, Borax Argentina is on track to achieve or even exceed the budget for the financial year.

Combined product sales volume by quarter:

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Combined Product Sales (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2012</td>
<td>9,161</td>
</tr>
<tr>
<td>December 2012</td>
<td>10,007</td>
</tr>
<tr>
<td>March 2013</td>
<td>9,182</td>
</tr>
<tr>
<td>June 2013</td>
<td>9,562</td>
</tr>
<tr>
<td>September 2013</td>
<td>10,103</td>
</tr>
<tr>
<td>December 2013</td>
<td>11,410</td>
</tr>
<tr>
<td>March 2014</td>
<td>9,027</td>
</tr>
</tbody>
</table>

Boric Acid Plant Pre-Feasibility Study

In April the Company advised of the completion of a prefeasibility study into the construction of a new Boric Acid plant at Olacapato in Salta province, Argentina. The key findings are detailed below:

<table>
<thead>
<tr>
<th>Production Rate</th>
<th>25,000 tpa Boric Acid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Cost</td>
<td>US$ 18.2 million plus $2.6m in working capital and commissioning costs.</td>
</tr>
<tr>
<td>Payback</td>
<td>4.9 years</td>
</tr>
<tr>
<td>Cash Operating Cost at 25,000 tpa</td>
<td>484 US$/ton</td>
</tr>
<tr>
<td>After Tax NPV (10%)</td>
<td>$17.7 million</td>
</tr>
<tr>
<td>After Tax IRR%</td>
<td>24%</td>
</tr>
<tr>
<td>Modelled Project Life</td>
<td>20 years</td>
</tr>
<tr>
<td>Measured and Indicated Resources</td>
<td>1.02 Million tonnes B$_2$O$_3$</td>
</tr>
</tbody>
</table>
The plant flow sheet will be designed to allow treatment of lower “run-of-mine” grade ores than are currently being processed and with the aim of obtaining higher recoveries and reduced operating costs. Currently, ore is mined at less than 20% B₂O₃ and upgraded by hand methods and screening to 26% for cartage to Campo Quijano.

Given the positive outcome of the prefeasibility study, the project will be advanced to the next stage with Feasibility Study level studies in mining engineering to produce an ore reserve and life of mine plan and detailed engineering level on the plant as the previous level of work had already been within a +/- 15% accuracy. This will occur at the same time as permitting and will allow an investment decision to be made towards the end of 2014.

Currently, Borax Argentina produces boric acid from a 9,000 tonnes per annum plant at Campo Quijano near Salta city, processing ulexite mineralisation mined from Porvenir which is located 300 kms away. The plant is designed to treat a high grade feed of ulexite mineralisation which has been selectively mined and then upgraded by drying and hand sorting.

There are potential advantages to the construction of a new and larger facility at Olacapato. In particular, by being able to process lower grade “run-of-mine” ore the costly and time consuming process of drying and hand sorting would be eliminated and the mining and processing recovery of mineralisation increased. In addition, the long cartage by road transport would be eliminated and the increased production rate would provide economies of scale compared to current operations.

Boric acid is used in a wide variety of applications including glass, ceramics, fertilisers and wood preservatives. The market has a growth profile above world GDP growth. For standard and agricultural grade boric acid, pricing has ranged approximately between US$750/t to $1,250/t CIF over the past 5 years.

**Borax Plant Relocation**

The Company is nearing completion of the project to relocate the borax chemical plant from Campo Quijano to the Tincalayu mine where the mineral, tincal, used to make borax is mined. The Borax Argentina chemical plant produces borax decahydrate, borax pentahydrate and anhydrous borax.

The relocation of the borax plant to the Tincalayu mine site will have significant benefits through both the reduction of operating unit costs and also increasing overall mineral recovery from the mine.

The Company provided an update on the project’s progress in March. Currently, the project is running on schedule and within budget. The target completion date for the project was forecast to be June 2014. It appears it may possibly be completed ahead of schedule. The Company considers this project an exciting development which will position the Borax Argentina business well for the future.
**Historical Estimate for JORC Compliant Resource Conversion Programme**

Porvenir

In April, the Company announced the upgrade of a historical estimate to a Measured and Indicated Resource for the Porvenir borate deposit in Jujuy Province, Argentina.

The highlights are:

- Measured and Indicated Resource of 2.3 million tonnes at 20.4% $\text{B}_2\text{O}_3$ is estimated at the current 16% $\text{B}_2\text{O}_3$ mining cut-off grade.

- Resource estimate in line with superseded historical estimate at the same cut-off.

- The resource extends to a maximum depth of approximately 3 m and is easily exploited by low cost strip mining.

- A Measured and Indicated resource of 6.9 million tonnes of 14.9% $\text{B}_2\text{O}_3$ is estimated at a 9% $\text{B}_2\text{O}_3$ cut-off, a value appropriate for processing of the mineralisation at a potential new boric acid plant at Olacapato.
The Measured and Indicated Resources are detailed in the table below:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Cut-off grade</th>
<th>Tonnes</th>
<th>Grade % B₂O₃</th>
<th>Tonnes B₂O₃</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>16%</td>
<td>1,474,341</td>
<td>20.0</td>
<td>295,117</td>
</tr>
<tr>
<td>Indicated</td>
<td>16%</td>
<td>804,595</td>
<td>21.0</td>
<td>168,776</td>
</tr>
<tr>
<td>Measured &amp; Indicated*</td>
<td>16%</td>
<td>2,278,937</td>
<td>20.4</td>
<td>463,992</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Classification</th>
<th>Cut-off grade</th>
<th>Tonnes</th>
<th>Grade % B₂O₃</th>
<th>Tonnes B₂O₃</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>9%</td>
<td>4,907,877</td>
<td>14.5</td>
<td>710,672</td>
</tr>
<tr>
<td>Indicated</td>
<td>9%</td>
<td>1,942,433</td>
<td>16.0</td>
<td>310,517</td>
</tr>
<tr>
<td>Measured &amp; Indicated</td>
<td>9%</td>
<td>6,850,000</td>
<td>14.9</td>
<td>1,020,000</td>
</tr>
</tbody>
</table>

This compares to a superseded historical estimate of 2,417,099 tonnes at 20.2% B₂O₃ calculated at a cut-off between 14% and 19% B₂O₃, depending on the mineralisation style. The superseded historical estimate was originally reported on the 21st of August 2012, at the time of the announcement of the Company’s purchase of Borax Argentina. The majority of the ulexite is hosted within a sand matrix, which is easily separated from the ulexite by screening after drying. The screened ulexite from this mining operation is then available for processing into boric acid.

**Other deposits**

The company is in the process of upgrading the historical estimates of the different Borax Argentina mining properties to JORC/NI43-101 compliant mineral resources. The Porvenir resource estimate, calculated in accordance with the requirements of JORC 2012, is the first re-evaluation of the Company’s borate resource base. Geological interpretation and re-estimation of the resources at the Diablillos and Tincalayu projects is currently underway. Once completed, the focus will move to the tertiary Sijes hydroboracite deposit. The historical estimate (now superseded) of the Porvenir deposit was only a small part (14% of contained B₂O₃) of the overall quantum of the historical estimates of the mineralisation on Borax Argentina properties. For more information on Borax Argentina.
**Corporate and Administration**

**SAP Implementation**

An SAP ERP system has been implemented at Sales de Jujuy SA and at Borax Argentina SA. System refinements are now in progress.

**Cash Position**

At the end of the quarter, the company had a cash position of A$28.7m excluding funds in Olaroz Lithium Project companies.

**About Orocobre Limited**

Orocobre Limited is listed on the Australian Securities Exchange and Toronto Stock Exchange (ASX:ORE, TSX:ORL), and is building a substantial Argentinian-based industrial minerals company through the construction and operation of its portfolio of lithium, potash and boron projects and facilities in the Puna region of northern Argentina. The Company is building in partnership with Toyota Tsusho Corporation the first large-scale, de-novo brine based lithium project in 20 years at its flagship Salar de Olaroz resource, with projected production of 17,500 tonnes per annum of low-cost battery grade lithium carbonate scheduled to commence in Q3 2014. The Company also wholly-owns Borax Argentina, an important regional borate producer. Orocobre is included in the S&P/ASX 300 Index. For further information, please visit [www.orocobre.com](http://www.orocobre.com).

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Technical Information, Competent Persons’ and Qualified Persons Statements

The information in this report that relates to Exploration Results or Mineral Resources is based on information prepared by, or under the supervision of Mr. Murray Brooker. Murray Brooker is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists. Murray has sufficient relevant experience to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and is also a “Qualified Person” as defined in NI 43-101.


The information in this report that relates to mineralisation at Borax Argentina sites has been prepared by Mr Murray Brooker. Murray Brooker, an independent consultant to Orocobre, is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists. The other information in this report relating to the pre-feasibility study has been approved by Mr. Peter Ehren. Peter Ehren, an independent consultant to Orocobre, is a Consulting Processing Engineer. Each of Mr. Brooker and Mr. Ehren has sufficient relevant experience to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and as a “Qualified Person” as defined in NI 43-101.

Mr Murray Brooker and Mr Peter Ehren consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the references above and that all material assumptions and technical parameters underpinning the resource estimates continue to apply and have not materially changed. The Company also confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified. The Company is not in possession of any new information or data relating to historical estimates that materially impacts on the reliability of the estimates or the company’s ability to verify the historical estimates as mineral resources, in accordance with the JORC Code. The supporting information provided in the initial market announcement of 21/08/12 continues to apply and has not materially changed.

Additional information relating to the Company’s projects is available on the Company’s website.

Caution Regarding Forward-Looking Information

This news release contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information contained in this release includes, but is not limited to, construction at the Olaroz Project and the timing thereof, the commencement of commercial production
at the Olaroz Project and the timing thereof; the projected production of lithium carbonate at the Olaroz Project; the expected brine cost and grade at the Olaroz Project; the results of the pre-feasibility study for the contemplated Boric Acid Plant at Olacapato, including without limitation the plant’s estimated production rate, capital cost, payback period, cash operating cost, net present value, IRR and project life; the estimated mineral resources and mineralisation grade at the Porvenir mine, the economic viability of such mineral resources, mine life and operating costs at the Porvenir mine; the projected operating costs of the contemplated Olacapato processing plant, the estimated capital cost, and projected production and resource extraction rates associated with the contemplated Olacapato processing plant; the market price of boric acid whether stated or implied, demand for boric acid and other information and trends relating to the boric acid markets; the estimated timing for the next stage of the project, tax, royalty and duty rates; and other matters related to the potential development of the contemplated Olacapato processing plant.

Such forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk of further changes in government regulations, policies or legislation; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; the risk that the conditions precedent to draw down the project financing with Mizuho Corporate Bank will not be met; that further funding may be required, but unavailable, for the ongoing development of the Company’s projects; fluctuations or decreases in commodity prices; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with weather patterns and impact on production rate; risks associated with construction and development of the Olaroz Project; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Project; general risks associated with the feasibility and development of the Olaroz Project; general risks associated with the feasibility of the contemplated Olacapato processing plant; the risk that an EIS may not be approved in respect of the contemplated Olacapato processing plant; the risk that the results of a feasibility study in respect of the contemplated Olacapato processing plant are materially worse than the results of the pre-feasibility study discussed in this report; risks associated with the potential construction of the contemplated Olacapato processing plant; unexpected capital or operating cost increases; the risk of further changes in government regulations, policies or legislation; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; that further funding may be required, but unavailable, for the ongoing development of the Company’s projects; a decrease in the price for boric acid resulting from, among other things, decreased demand for boric acid or an increased supply of boric acids or substitutes; other fluctuations or decreases in commodity prices; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with weather patterns and impact on production rate; as well as those factors disclosed in the Company’s Annual Report for the year ended June 30, 2013 filed at www.sedar.com.

The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the timely
receipt of required approvals and completion of agreements on reasonable terms and conditions; the ability of the Company to obtain financing as and when required and on reasonable terms and conditions; the market prices of boron products; and the ability of the Company to operate in a safe, efficient and effective manner. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Not For Release in US
This announcement has been prepared for publication in Australia and may not be released in the U.S. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statements.